

FISCAL NOTE

HB 3095 - SB 3140

March 6, 2004

SUMMARY OF BILL: Requires the TennCare Bureau to make the maximum allowable cost list available to all pharmacy providers who participate in TennCare. The bureau must provide notice of any change in the maximum allowable price list at least 30 days prior to the change. The bureau must verify that a generic drug is available from at least two sources at or below a proposed maximum allowable cost price before assigning a cost to the drug. TennCare must establish an appeals procedure for any pharmacy provider to appeal a maximum allowable cost price and adjust the price for any provider who does not have access to generic drugs at or below the maximum allowable cost price.

ESTIMATED FISCAL IMPACT:

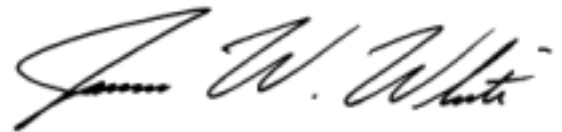
Increase State Expenditures - Exceeds \$1,800,000

Other Fiscal Impact - Increase Federal Expenditures - Exceeds \$3,200,000

Currently the TennCare Bureau has no requirement to wait 30 days to implement price changes. Any delay in reducing the price of a drug will increase costs to TennCare. Current TennCare drug costs are approximately \$2 billion.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director

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